

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Chapter 11
Watson Valve Services, Inc.	§	Case No. 20-30968
Debtor.	§	

Fee Application Summary

Name of Applicant:	MACCO Restructuring Group, LLC	
Applicant's Role in Case:	Financial Advisors	
Effective date of order approving professional's retention:	Entered: April 10, 2020 (Doc. No. 137) Effective: February 25, 2020	
	Beginning of Period	End of Period
Time period covered by this Application:	2/25/2020	7/31/2020
Time period(s) covered by prior Applications:	N/A	N/A
Total amounts awarded in all prior Applications:	N/A	
Total fees requested in this Application:	\$204,245.00	
Total professional fees requested in this Application:	\$204,245.00	
Total actual professional hours covered by this Application:	502.30	
Average hourly rate for professionals:	406.62	
Total paraprofessional fees requested in this Application:	\$0.00	
Total actual paraprofessional hours covered by this Application:	0.00	
Average hourly rate for paraprofessionals:	\$0.00	
Reimbursable expenses sought in this Application:	\$270.05	
Total to be paid to priority unsecured creditors:	To be determined	
Anticipated % dividend to priority unsecured creditors:	To be determined	
Total to be paid to general unsecured creditors:	To be determined	
Anticipated % dividend to general unsecured creditors:	To be determined	
Date of confirmation hearing:	To be determined	
Indicate whether plan has been confirmed:	No	

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In re:	§ § Chapter 11 § § Case No. 20-30968 § §
Watson Valve Services, Inc.,	§
Debtor.	§

**FIRST AND FINAL APPLICATION OF MACCO RESTRUCTURING GROUP, LLC FOR
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS FINANCIAL ADVISORS FOR THE DEBTOR
FOR THE PERIOD FROM FEBRUARY 25, 2020 THROUGH JULY 31, 2020**

NOTICE PURSUANT TO LOCAL RULE 9013-1

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

To the Honorable Marvin Isgur, United States Bankruptcy Judge:

MACCO Restructuring Group, LLC (“MACCO” or “Applicant”) to Watson Valve Services, Inc. (the “Debtor”), files this First and Final Application for Allowance of Compensation (the “Application”). This Application covers fees for professional services rendered and reimbursement for actual and necessary costs and expenses incurred for the period from February 25, 2020 through July 31, 2020 (the “Compensation Period”), pursuant to Sections 330 and 331 of the United States Bankruptcy Code, 11 § 101, et seq. (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and S.D. Tex. L.B.R. 2016-

1(c). MACCO seeks approval of compensation in the amount of \$204,245.00 for fees as well as reimbursement in the amount of \$270.05 for expenses, totaling \$204,515.05. In support of this Application, MACCO respectfully represents as follows:

Jurisdiction

1. This Court has jurisdiction to hear and determine the Application pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (B).

Procedural Background

2. On February 6, 2020 (the “**Petition Date**”), the Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “**Court**”). The Debtor’s case is being administered by the Court.

3. On March 17, 2020, the Debtor filed an application to employ MACCO as Financial Advisors [Docket No. 73]. On April 2, 2020, MACCO supplemented its original Declaration in support of its application for employment [Docket No. 97]. On April 9, 2020, the motion to amend MACCO’s employment was filed.

4. On April 10, 2020, the Court entered the amended order approving the employment of MACCO as Debtor’s Financial Advisors [Docket No. 137].

5. On March 13, 2020, Debtor filed its motion for an order establishing interim professional compensation procedures [Docket No. 70]. On April 6, 2020, the Court entered the Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals [Dkt. No. 120] (“**Interim Compensation Order**”).

First and Final Fee Application

6. This is MACCO's first and final application for compensation which covers professional services performed during the Compensation Period. Attached hereto, as **Exhibit A**, are the detailed billings showing the fees incurred by MACCO during the Compensation Period. During the Compensation Period covered by this Application, MACCO expended a total of 502.30 hours for professional services rendered on behalf of the Debtor. The billings show the daily time entries of MACCO professionals and include a description of the nature and substance of the services rendered, the date on which the services were performed, the professional who performed the services and the amount of time actually spent as well as the costs incurred.

7. The value of the professional services rendered by MACCO during the Compensation Period totals \$204,245.00 and the expenses incurred total \$270.05 for a combined total of \$204,515.05.

A. Summary of Services Rendered

8. MACCO believes that the requested fees and expenses are reasonable and necessary and has charged reasonable rates based upon the customary compensation charged by comparatively skilled practitioners in non-bankruptcy cases considering the complexity of similarly involved issues, and whether or not the services rendered were performed within a reasonable time commensurate with complexity, importance, and nature of the problem, issue or task addressed. MACCO has avoided duplicative billing and has extensively reviewed the fees to ensure that they are reasonable and necessary.

9. MACCO was employed as financial advisors to provide assistance to the Debtor with financial reporting, preparation of monthly operating reports, preparation of schedules and statements, financial forecasting, preparation of 13-week cash flow, preparation of Initial Report package, attending Initial Debtor Conference, attending 341 meeting, preparation of projections

and analysis as to wind down or going concern, managing the liquidity of the company, facilitation of sales process, communication with key stakeholders, vendor management, supply chain analysis and other operational matters, and claims analysis.

10. The following project categories detail the activities performed by MACCO's professionals, and the time spent in performance of each such service are as follows.

Activity	Professional	Hours Billed	Hourly Rate	Bill Amount
<i>001 - Client Meeting</i>				
	Drew McManigle	4.5	\$550.00	\$2,475.00
	Paul Maniscalco	1.3	\$550.00	\$715.00
	Frank Cottrell	13.2	\$400.00	\$5,280.00
	Kathy Mayle	3.5	\$400.00	\$1,400.00
	Pablo Bonjour	4.6	\$400.00	\$1,840.00
	Micah Miller	2.5	\$350.00	\$875.00
	Eri Moll	2	\$175.00	\$350.00
001 Total:		31.6		\$12,935.00
<i>002 - Attorney Meeting</i>				
	Frank Cottrell	9.8	\$400.00	\$3,920.00
	Paul Maniscalco	0.8	\$550.00	\$440.00
002 Total:		10.6		\$4,360.00
<i>004 - Client Communications</i>				
	Pablo Bonjour	1.2	\$400.00	\$480.00
004 Total:		1.2		\$480.00
<i>005 – Attorney Communications</i>				
	Drew McManigle	3.2	\$550.00	\$1,760.00
	Pablo Bonjour	1.2	\$400.00	\$480.00
005 Total:		4.4		\$2,240.00
<i>007 – Internal Communication</i>				
	Drew McManigle	4.5	\$550.00	\$2,475.00
	Paul Maniscalco	2.1	\$550.00	\$1,155.00
	Kathy Mayle	0.5	\$400.00	\$200.00
	Micah Miller	0.3	\$350.00	\$105.00
007 Total:		7.4		\$3,935.00
<i>008 – Review File, Communications, and Information</i>				
	Drew McManigle	5	\$550.00	\$2,750.00

Pablo Bonjour	0.3	\$400.00	\$120.00
Frank Cottrell	0.4	\$400.00	\$160.00
008 Total:	5.7		\$3,030.00
<i>009 – Operations</i>			
Drew McManigle	10.6	\$550.00	\$5,830.00
Paul Maniscalco	0.5	\$550.00	\$275.00
Frank Cottrell	32.8	\$400.00	\$13,120.00
Kathy Mayle	1.1	\$400.00	\$440.00
Pablo Bonjour	2.8	\$400.00	\$1,120.00
Micah Miller	0.5	\$350.00	\$175.00
009 Total:	48.3		\$20,960.00
<i>010 – Accounting & Financials</i>			
Drew McManigle	1.9	\$550.00	\$1,045.00
Paul Maniscalco	6.8	\$550.00	\$3,740.00
Frank Cottrell	118.7	\$400.00	\$47,480.00
Kathy Mayle	3.6	\$400.00	\$1,440.00
Pablo Bonjour	11.9	\$400.00	\$4,760.00
Micah Miller	10.2	\$350.00	\$3,570.00
010 Total:	153.1		\$62,035.00
<i>015 – Cash Collateral/DIP Finance</i>			
Drew McManigle	0.6	\$550.00	\$330.00
Frank Cottrell	33.5	\$400.00	\$13,400.00
Micah Miller	3.8	\$350.00	\$1,330.00
015 Total:	37.9		\$15,060.00
<i>016 – Case Administration</i>			
Drew McManigle	6.5	\$550.00	\$3,575.00
Paul Maniscalco	4.5	\$550.00	\$2,475.00
Frank Cottrell	0.5	\$400.00	\$200.00
Kathy Mayle	16.4	\$400.00	\$6,560.00
Pablo Bonjour	1.4	\$400.00	\$560.00
Micah Miller	53.2	\$350.00	\$18,620.00
Eric Moll	1.3	\$175.00	\$227.50
016 Total:	83.8		\$32,217.50
<i>017 – Asset Analysis, Recovery and Disposition</i>			
Drew McManigle	2	\$550.00	\$1,100.00
Paul Maniscalco	2	\$550.00	\$1,100.00
017 Total:	4		\$2,200.00

<i>018 – Employment/Fee Applications/Objections</i>				
	Drew McManigle	2.9	\$550.00	\$1,595.00
	Kathy Mayle	9	\$400.00	\$3,600.00
	Eric Moll	1.6	\$175.00	\$280.00
018 Total:		13.5		\$5,475.00
<i>020 – Claims</i>				
	Drew McManigle	0.6	\$550.00	\$330.00
	Frank Cottrell	26.8	\$400.00	\$10,720.00
	Kathy Mayle	4.2	\$400.00	\$1,680.00
020 Total:		31.6		\$12,730.00
<i>023 – Preparation of Schedules and Statements</i>				
	Drew McManigle	0.3	\$550.00	\$165.00
	Paul Maniscalco	6.6	\$550.00	\$3,630.00
	Frank Cottrell	7.9	\$400.00	\$3,160.00
	Kathy Mayle	12.9	\$400.00	\$5,160.00
	Pablo Bonjour	2.1	\$400.00	\$840.00
	Micah Miller	38.5	\$350.00	\$13,475.00
	Eric Moll	0.9	\$175.00	157.5
023 Total:		69.2		\$26,587.50
	TOTAL:	502.3		\$204,245.00

11. During the Compensation Period, MACCO expended a total of 502.30 hours for professional services rendered on behalf of the Debtor. A summary of the total time and compensation for each professional is as follows:

Name	Hours	Hourly Rate	Total
Drew McManigle, Managing Director and Principal	42.60	\$550.00	\$23,430.00
Paul Maniscalco, Managing Director	24.60	\$550.00	\$13,530.00
Kathy Mayle, Senior Director	51.20	\$400.00	\$20,480.00
Frank Cottrell, Director	243.60	\$400.00	\$97,440.00
Pablo Bonjour, Director	25.50	\$400.00	\$10,200.00
Micah Miller, Senior Financial Analyst	109.00	\$350.00	\$38,150.00
Eric Moll, Financial Analyst	5.80	\$175.00	\$1,015.00
Total:	502.30		\$204,245.00
Average Hourly Rate:		\$406.62	

12. MACCO seeks reimbursement of its expenses totaling \$270.05 and summarized as below:

Expense Code	Amount
E106: - Online research (Pacer)	\$222.51
E109: - Local travel	\$47.54
TOTAL:	\$270.05

B. Retainer

13. MACCO did not receive a post-petition retainer.

C. Monthly Fee Statements and Disbursements

14. MACCO has served Monthly Fee Statements on the Reviewing Parties pursuant to the procedures approved in the Interim Compensation Order [Docket #120] for the months of February through April 2020. MACCO requests that these interim allowances be approved together with other compensation awarded to MACCO by this Application. The following table sets forth the actual amounts allowed as interim payments of compensation and reimbursement of expenses under the Fee Procedures Order:

Date	Description	Fees	Expenses	Total	20% Holdback	Disbursement
04/25/2020	First Monthly Fee Statement (February 25-March 31, 2020) [Docket No. 149]	\$124,300.00	\$66.85	124,366.85	\$24,860.00	\$99,506.85
5/12/2020	Second Monthly Fee Statement (April 2020) [Docket No. 179]	\$22,605.00	\$0.00	\$22,605.00	\$4,521.00	\$18,084.00
5/31/2020	May 2020 Invoice	\$22,805.00	\$22.50	\$22,827.50	\$0.00	\$0.00
6/30/2020	June 2020 Invoice	\$16,765.00	\$0.00	\$16,765.00	\$0.00	\$0.00
7/31/2020	July 2020 Invoice	\$17,770.00	\$180.70	\$17,950.70	\$0.00	\$0.00
TOTALS:		\$204,245.00	\$270.05	\$204,515.05	\$29,381.00	\$117,590.85

D. First Colonial Factors

15. Pursuant to Bankruptcy Local Rule 2016(a), fee applications must include a discussion of the factors considered in *American Benefit Life Ins. Co. v. Baddock (In re First Colonial Corp. of America)*, 544 F.2d 1291, 1298-99 (5th Cir.), cert. denied, 431 U.S. 904 (1977). Consideration of the factors listed in *First Colonial Corp.* indicates that the compensation requested by MACCO for the services rendered during the Compensation Period is reasonable:

16. Time and Labor Required. As set forth in detail on **Exhibit A**, MACCO spent 502.30 hours during the Compensation Period providing valuation and related services. The professionals who provided these services are detailed in the attached invoices.

17. Novelty and Difficulty of the Questions. The Debtor retained financial advisors to manage liquidity and operations, evaluate whether to winddown the estate or for going concern, prepare schedules and statements, negotiate with vendors, review in-process contracts and orders, and assist with financial reporting, including monthly operating reports and financial projections. MACCO was qualified to provide these services.

18. Skill Requisite to Perform the Service Properly. MACCO's employees are involved in numerous active cases and have substantial experience in financial advisory, including business restructuring and chapter 11 bankruptcy.

19. Preclusion of Other Employment Due to the Acceptance of the Case. To the extent of MACCO's hourly representation of the Debtor herein during the Compensation Period, MACCO was precluded from performing such services on behalf of others. Aside from the foregoing, there was no preclusion from other employment.

20. Customary Fee. MACCO has requested a total fee which it feels is reasonable given the circumstances. The hourly rates applied for are the normal rates charged by MACCO during the Compensation Period. In the opinion of MACCO, such rates are commensurate with the industry standard for comparable work.

21. Whether the Fee is Fixed or Contingent. The fees in a bankruptcy proceeding are contingent upon ultimate approval by the court and the existence of liquidity available with which to pay such fees. Additional contingencies in this case, if any, are described in the summary of services rendered incorporated into this Application.

22. Amount Involved and Results Obtained. A discussion of results obtained is contained in the narrative summary of services rendered incorporated into this Application.

23. The experience, reputation and ability of the professionals. MACCO believes its members enjoy a good reputation, owing to a successful track record as financial advisors, in the bankruptcy and restructuring industry. MACCO believes that the firm and its professionals are well recognized in these industries for their abilities and competencies.

24. The Undesirability of the Case. Undesirability of the case with regard to MACCO is not a factor in this proceeding.

25. Nature and Length of Professional Relationship with Client. The nature and length of professional relationship with the Debtor is not a factor in this proceeding.

26. Awards in Similar Cases. Taking into consideration the nature of the properties involved in this case, MACCO is of the opinion that the fee requested herein is consistent with fees that have been awarded in other cases.

Relief Requested

WHEREFORE, MACCO requests that the Court:

- a. Approve MACCO's fees in the amount of \$204,245.00, expenses in the amount of \$270.05, for a total of \$204,515.05, for the time period of February 25, 2020 to July 31, 2020 on a final basis;
- b. Approve \$1,000.00 for the finalizing of the fee application and service of the notice of fee application;
- c. Approve the disbursements of \$117,590.85 (representing the aggregate disbursements of interim payments authorized under the Interim Fee Procedures), and direct payment of the balance of MACCO's fees and expenses totaling \$87,924.20 from the Debtor's currently available funds; and
- d. Grant such other and further relief to which MACCO may be entitled in law or in equity.

DATED: August 11, 2020

Respectfully Submitted,

/s/ Drew McManigle

Drew McManigle
Managing Director
MACCO Restructuring Group LLC
The Pennzoil Building
700 Milam Street, Suite 1300
Houston, Texas 77002
Telephone: (410) 350-1839
Email:
drew@maccorestructuringgroup.com

CERTIFICATE OF SERVICE

I hereby certify that on August 11, 2020, a copy of the foregoing *First and Final Application of MACCO Restructuring Group, LLC for Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Financial Advisors for the Debtor for the Period from February 25, 2020 to July 31, 2020* has been served via the ECF system to the parties receiving ECF notice.

/s/ Drew McManigle

DREW MC MANIGLE